

385.4
B 96
1905

UNIVERSITY OF MICHIGAN LIBRARY

OCT 29 1927

ANNUAL REPORT

TO THE STOCKHOLDERS

OF

97

BUSH TERMINAL COMPANY

=====

97 Report

FOR ~~THE~~ FISCAL YEAR ENDING
DECEMBER 31, 1905

OCT 29 1917

ANNUAL REPORT

TO THE STOCKHOLDERS

OF

BUSH TERMINAL COMPANY

FOR THE FISCAL YEAR ENDING
DECEMBER 31, 1905

UNIV. OF WISCONSIN

DEC 27 1910

DIRECTORS

FRANK BAILEY
IRVING T. BUSH
WILLIAM N. DYKMAN

CYRUS J. LAWRENCE
EDGAR J. LEVEY
F. J. LISMAN

WILLIAM SHILLABER

OFFICERS

President

IRVING T. BUSH

Vice-Presidents

CYRUS J. LAWRENCE
A. C. WOODRUFF
FRANK GALLAGHER
H. H. GARDINER

Treasurer

R. G. SIMONDS

Secretary

FREDERIC B. STUDWELL

Assistant Treasurer

HERBERT BOUGHTON

Assistant Secretary

H. W. GREENE

REGISTRAR OF BONDS

TITLE GUARANTEE AND TRUST COMPANY
146 Broadway, Manhattan, N. Y. City
175 Remsen Street, Brooklyn, N. Y. City

REGISTRAR OF STOCK

KNICKERBOCKER TRUST COMPANY
66 Broadway, Manhattan, N. Y. City

Offices

BUSH TERMINAL BUILDING
100 Broad Street, Manhattan, N. Y. City
Foot of Forty-third Street, Brooklyn, N. Y. City

President Irving T. Bush
says in substance:

TO THE STOCKHOLDERS OF BUSH TERMINAL COMPANY.

GENTLEMEN: Herewith I submit a summary of the annual audit by Mr. Stephen Little of the income account of this Company.

Additions to the plant, involving an expenditure of approximately \$2,500,000 ~~are~~ are nearing completion, and should produce an increased income at the rate of \$300,000 ~~per~~ per year, during a portion of 1906. Other additions to the plant will be begun at once, but will not become productive until 1907.

Although not completed, the first factory building is more than 95 ~~per cent~~ ⁹⁸ ~~per cent~~ rented. The remaining space is under consideration by prospective tenants, and will undoubtedly be rented before the building is completed. This building will produce a fixed rental income of approximately \$65,000 ~~per~~ per annum from May 15 ~~th~~ and an additional income from freight shipments.

The leasing of the space in the first factory building for satisfactory rents, before the building is completed, has demonstrated the success of this portion of the enterprise, and work is already under way upon a second factory building, and a third will probably be started before the end of the year. These buildings will produce an average income of \$75,000 ~~per~~ each, per year.

The Company's sixth pier will be finished about August ~~1st~~ ~~15th~~ and thirty-three additional warehouses will be completed at varying dates, during the next three months.

The Bush Terminal Railroad is substantially completed, and will be put in operation within a few months' time.

The entire enterprise is in a most satisfactory condition and within twelve months there should be a large increase in net income. It must be borne in mind that the Company is carrying

26 N. 17 B. W. R. R. Co. ex. 1905 Cont

6/10

6/10
(Compare official description of enterprise in 1904 & 1905 2a)
several million dollars of unproductive property which, under proper development, will yield a large income within a few years.

The condition of the plant and equipment has been thoroughly maintained during 1905, several substantial betterments having been charged to repairs, and at the February meeting of the Board of Directors, an additional amount of \$20,000.00 was charged to Profit and Loss. At the same meeting a dividend of 5% was declared upon the Preferred Stock.

~~Confess~~
Respectfully,

((\$1,500,000))
IRVING T. BUSH

President.

IRVING T. BUSH, Esq., President,
Bush Terminal Company,
New York City.

DEAR SIR:—In accordance with your request, I beg to report that I have made a careful examination of the books and accounts of your Company for the fiscal year ended December 31, 1905, and as the result of such examination, I submit herewith:

I.

The Income account for the year, showing a surplus after all charges (including \$32,039.34 for interest on 5% Bonds issued for construction) of \$120,073.22. Respecting the Accrued Storage of \$253,686.11, I have again accepted it as substantially correct, for the reason that any slight errors in calculation made in one year, would correct themselves in the next year, and so on from year to year. When it is considered that this account is composed of some 4,600 items and that these items are in turn, based on and supported by thousands of other items and calculations, it would be too much to expect absolute free-

dom from error. I took one hundred accounts at random, and found the errors to be infinitesimal and the tendency in favor of an understatement, rather than an overstatement of earnings. To verify this account throughout would involve the employment of a staff of clerks for months, thereby subjecting the Company to what I would regard a useless expense. These clerks, moreover, would lack the familiarity and experience of your own trained staff, so I do not recommend their employment, but on the contrary a careful adherence to your present system, whereby whatever errors may occur, the Company is running no risk as to the ultimate outcome. By this I mean that it has at all times the collateral against the storage, and if, as I said, some slight errors occur this year, they will correct themselves in the next year.

II.

The Profit and Loss Account with all adjustments therein for the year explains itself.

III.

Excluding from your current liabilities the \$134,818.28 to be paid from the proceeds of Bonds, your current assets exceed the remainder of such liabilities by \$479,359.51.

With the foregoing remarks I hereby certify that the Income Account of your Company for the year, and its Balance Sheet at December 31, 1905, are true and correct.

In conclusion I would repeat my statement of last year, that I found your accounts to be systematically and accurately kept. I also wish to express my thanks to Messrs. Simonds and Horton of your staff, who extended to me every courtesy and facility necessary to my examination.

Respectfully submitted,

(signed) STEPHEN LITTLE,
Certified Public Accountant.

INCOME ACCOUNT FOR FISCAL YEAR ENDING Dec 31
DECEMBER 31, 1905.

	1905 (12 mos)	1904 (11 mos)
Total Gross Earnings		(3,392)
from docks, storage, etc., and net income from the Railroad Department.....	\$740,954.58	\$521,936
LESS ⁵⁰ operating expenses.....	311,540.71	160.457
Percentage of Operating Expenses	42.03	
Net Earnings from Operation.....	\$429,407.88	\$362,933
From which Deduct -		
Interest on Debt	\$223,748.86	128,830
Taxes	53,547.56	277,095.02
Surplus for the year.....	\$152,112.56	\$55,646
LESS Interest on 5% Construction Bonds.....	32,039.21	---
Remaining Surplus carried to the credit of Profit and Loss.....	\$120,073.22	\$178,457

PROFIT AND LOSS ACCOUNT.

	Dr.	Cr.
By Balance at Credit December 31, 1904		4,206.17
By Surplus for 1905 as per Income Account.....		120,073.22
To cost of advertising in 1904....	1,295.76	
To Balance	122,983.63	
	\$124,279.39	\$124,279.39

CURRENT ASSETS AND LIABILITIES

Dec 31 1905

CURRENT ASSETS

1905

1904

Cash and Accounts Receivable (the latter now being in great part collected)	\$190,590.01
Advances to subsidiary companies	48,214.22
Advance Payments	26,500.00
Accrued Storage and Labor	272,760.75
Sundries	23,037.34

□ ~~Total Current Assets~~ \$561,101.32

CURRENT LIABILITIES

Operating Accounts payable from Revenue	\$ 37,622.87
Construction Accounts, payable from proceeds of Bonds sold but not delivered (since paid) ..	134,818.28
Pay Rolls	4,483.90
Accrued interest on debt	37,660.00
Sundries	2,012.35

□ ~~Total Current Liabilities~~ \$216,560.29

782,809.

